EXECUTIONS THREATEN SINGAPORE-INDONESIA RELATIONS

Indonesian authorities have moved to control popular outbreaks in reaction to Singapore's execution of two Indonesian marrines on 17 October.

Indonesian Foreign Minister Malik has called for restraint, and has been reported ready to assure Singapore's ambassador that diplomatic relations would not be broken. Several Indonesian leaders initially favored some form of economic reprisal, but the government appears to have realized that such measures might be counterproductive. The Ministry of Communications' ban on shipping to Singapore, apparently imposed without the approval of the top leaders, has already seriously affected small rubber firms in Sumatra.

Popular resentment toward Singapore rose sharply following the emotional and highly publi-

cized "heroes' funeral" on 18 October. Indonesian Army intelligence claims that Communist and pro-Sukarno elements turned a student demonstration into destructive day-long riots this week in Surabaya, East Java. Local officials were stunned by the ferocity of the rioters, who were suppressed only after a curfew was imposed and troops were authorized to use force. The rioters almost completely wrecked the Chinese business district and brought the city to a virtual standstill.

Regional military commanders have been ordered to take strong action against any further exploitation of anti-Singapore and anti-Chinese emotions. Authorities have been able to cool the emotions of most student groups in Djakarta, and have been able to maintain relative calm elsewhere.

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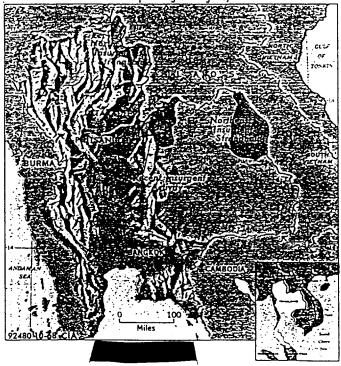
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THAI INSURGENTS ACTIVE IN NEW AREAS

Communist insurgents may be expanding their operations into new areas in north-central Thailand.

Widely separated incidents have occurred during the past month in the heretofore quiet provinces of Loei, Phitsanulok, and Uttaradit. These included a a forced village propaganda meeting and a clash with a government patrol. An insurgent defector has indicated that the

Thai Communists Seen Expanding Insurgency



Communists view this area, which links insurgent strongholds in the north and northeast, as especially important in their overall strategy. There have been numerous reports of Communist recruitment activity in the villages, but the recent incidents are the first indications of active armed insurgency in the area.

The new activity in the north-central area may be aided by personnel normally engaged in the northeast, where armed insurgency remains at a low level. The Communists in the northeast are known to have contributed some assets to the insurgent campaign in the north earlier this year and, judging from their tactical successes there, may well have decided to provide some personnel to recruit and proselytize in the north-central area. The bulk of insurgent forces remains in the key northeast, however.

In the north, meanwhile, tribal insurgents continue to frustrate government security forces. According to a high-level official, they inflicted numerous casualties on army units engaged in a recent sweep operation, which has contributed to low army morale.